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SIPDIS

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TAGS: [PGOV](#) [ELAB](#) [SP](#)

SUBJECT: LABOR LEADER SKEPTICAL ON ZAPATERO

Classified By: Political Counselor Kathleen Fitzpatrick per 1.4 (b) and (d).

¶1. (C) Pol/Labor officer spoke June 16 with Jose Maria Fidalgo, Secretary General of Spain's largest trade union confederation, CCOO (Comisiones Obreras). Fidalgo expressed a cautious, wait-and-see attitude toward the Zapatero government. He said he was not yet convinced of Zapatero's seriousness. Zapatero has made many promises on such issues as shifting more workers from part time contracts to full time employment. However, his government has not yet taken any concrete steps to deal with the problem. On this and other matters, there is the need to move from talk to action, Fidalgo said. He noted he had maintained cordial relations with Aznar, but the relationship had become strained in the final Aznar years. (He attributed this to Aznar becoming more arrogant and isolated in his second term.)

¶2. (C) Fidalgo criticized both Zapatero and, in particular, Labor and Social Affairs Minister Jesus Caldera, for not knowing how to govern. He said they are acting as if they were still in the opposition or still campaigning. They don't know how to manage; all they seem to know how to do is give speeches. This, he observed, contrasts with the Popular Party, which still acts like it is governing and does not know how to act in opposition. Fidalgo attributed the confusion on both sides to the fact that neither the PP nor the PSOE thought the PSOE would win the March 14 elections. As a result, neither leadership is prepared for the roles they now occupy. (Fidalgo commented that there was no doubt in his mind that the March 11 Madrid terror attacks had thrown the election to the PSOE. He said that when people are frightened and confused, they opt for the easy solution, and that is what the PSOE offered.)

¶3. (SBU) Fidalgo told us that the CCOO Director for International Affairs, Javier Doz, had recently met AFL-CIO President Sweeney in Geneva. (Note: We invited Doz to participate in an International Visitors program this fall and he has accepted.) Fidalgo said the CCOO would like to expand its contacts with the AFL-CIO, which, he said, had previously kept the CCOO at arms length. Fidalgo commented that the CCOO had added over 200,000 new members in the past five years and that its position and finances were solid. He noted that the unions had demonstrated their strength in June 2002 when they convoked a general strike and compelled the Aznar government to back off on measures that would have established tight controls on unemployment benefits.

¶4. (SBU) Precarious (temporary contact) employment is Spain's number one labor challenge, Fidalgo stated. Thirty-one percent of employees are on temporary contracts, a figure well above the EU average. Fidalgo said one of the problems in making the temporary jobs permanent is their low skill, low productivity nature. The GOS will have to encourage business to invest more in these workers to raise their productivity. Fidalgo said he is pressing the Zapatero government to adopt a program of regular consultations with the unions; he believes Zapatero will agree.

¶5. (C) Comment: While CCOO's origins are on the left (it was originally linked with Spain's communist party) it has adopted an increasingly pragmatic posture in recent years under Fidalgo's leadership. Fidalgo made a point of stressing to us his previous good relations with the Aznar government, his skepticism about Zapatero's ability to deliver on his promises, and his desire for improved ties with the AFL-CIO. He did not mention Iraq. While the other main national labor federation, UGT, is nominally independent, in reality its leaders are all Socialists. It was notable that Fidalgo expressed no sense of relief that a government of the left was in power. Indeed, he was often rolling his eyes as he discussed Zapatero. On foreign policy, the CCOO, while highly critical of US policy in Iraq, has been more moderate than the UGT. CCOO International Affairs Director Doz told us he agreed the war in Afghanistan was necessary. The UGT, by contrast, vehemently opposed US action in both Afghanistan and Iraq.

ARGYROS